

# METHODS AND COSTS OF MARKETING.

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## INTRODUCTION.

The difference between the amount received for a given product by the farmer and the price paid by the consumer is relatively much greater in some cases than in others. These variations in the expense of distribution are due partly to differences in the number of middlemen intervening between producer and consumer. For some products the trade is so well organized that few intermediate sales are made and the ultimate purchaser is but a step or two removed from the farmer, while for other products the course of distribution is long and costly. The various methods and costs of marketing are illustrated by instances reported to this Department by a large number of farmers and dealers throughout the country, and these illustrations form the basis of this article.

## EXPENSES OF DISTRIBUTION.

### TRANSPORTATION.

The costs of marketing farm produce include expenses incurred in hauling from the farm, freight, commission for selling, storage, inspection, weighing, interest on capital, profits of various dealers, and insurance. To these may be added the losses due not only to deterioration of products after they leave the farm, but also to unequal distribution of shipments resulting in overstocked markets.

Freight charges vary with different commodities and over different routes, so that conditions affecting one article should not be taken as illustrative of a class. With this limitation in mind, instances of freight costs of three of the most important farm products may be noted, namely, cotton, wheat, and cattle. On the basis of official estimates made in 1905, the average expense incurred by farmers in hauling cotton from farms to local shipping points was 16 cents per 100 pounds; the average railroad freight rate from these points to seaports was estimated at 40 cents; and the average ocean rate from the United States to Liverpool was 32 cents, making a total freight cost from farm to Liverpool of 88 cents per 100 pounds, or less than one-tenth of the farm value of the cotton. The averages for wheat in the same year were 5.4 cents per bushel for hauling from farms;

11.6 cents for railway charges from local points to all coasts, and an average ocean rate of 9.6 cents per bushel from Atlantic, Gulf, and Pacific ports to England; the total freight cost being 26.6 cents per bushel, or more than one-third of its farm value.

In the shipment of a number of commodities special expenses in addition to freight charges are incurred. The transportation of cattle requires an outlay for feed and attendance en route. The shipment of a carload of beef cattle from Kansas feed lots via Chicago to London included in 1908 railroad freight charges ranging from \$8 to \$13 per head, and ocean freight from \$6.60 to \$7.20 per head, while the feed and attendance en route averaged on the railroad from \$1.50 to \$2.50 per head, and on the ocean, on account of the longer time in transit, from \$3 to \$5 per head.

#### • COMMISSION FOR SELLING.

Rates of commission for selling fruits and vegetables may range from 5 to 10 per cent of the gross proceeds of sales. A cooperative organization of farmers is sometimes able to retain part of this selling commission for its own use. The members of one southern fruit association paid for selling their products 10 per cent of gross proceeds, of which generally 6 per cent was given the northern commission dealer and 4 per cent was retained in the treasury of the association. There are numerous other instances of commissions based upon proceeds of sales, among which may be mentioned the charges for selling rice at New Orleans and clover seed at Milwaukee.

For selling grain and live stock at large markets the rates of commission are based generally upon the quantity sold and not upon proceeds of the sales. The rules of the Minneapolis Chamber of Commerce fix the rate for selling wheat, barley, or rye at 1 cent per bushel, corn or oats at one-half cent per bushel, and hay at 50 cents per ton. These rates apply to produce received under usual conditions. About the same charges prevail in other large markets.

In the tobacco warehouses of Virginia and North Carolina auctioneers' charges are determined by the number and weight of piles sold, and the "commission agents" who buy hops for wholesale dealers are frequently paid from one-fourth to one-half cent per pound.

#### A FEW SUMMARIES OF EXPENSE.

In June, 1909, a prominent exporter stated that the approximate cost of marketing wheat from North Dakota or Minnesota to a mill in England was about 22 cents a bushel. This cost included such items as the profit of the country elevator man in North Dakota or Minnesota, commission for selling at Duluth, elevator charges, fees for inspection and weighing, freight rates by rail and water, marine and other insurance, guaranty of outturn, and selling commission

at the foreign destination. Very little grain was moving at this time. In the busy season, when lake and ocean freight rates were higher, this exporter estimated the total cost of marketing over this route to be about 25 to 30 cents per bushel.

The cost of exporting cotton was estimated by a large dealer to average \$6 per bale, under conditions existing in 1905. This amount included railroad freight from Texas local points to Galveston, ocean freight from Galveston to Liverpool, marine insurance, office expenses, interest, cartage, and selling commission. At Rocky Mount, N. C., in the season of 1908-9, the warehouse charges on tobacco are reported to have averaged about 5 per cent, and at Danville, Va., about 4 per cent of gross sales.

#### THE USE OF CAPITAL.

It is the rule for a farmer to sell his produce for cash, and consequently a considerable amount of money is required to supply those who buy directly from producers. A large part of the cash required to pay for crops is needed in the late summer and early fall, about the time of the grain harvests and the cotton picking. The farm value of the cotton produced in 1908 and of the wheat and corn which were shipped out of the counties where grown amounted to more than \$1,250,000,000. This sum gives an idea of the amount of cash required to pay the farmers for the three crops mentioned, and most of it was needed within a few months after harvest. Another use of capital as an aid in marketing is when its possession enables the farmer to wait for good prices. The necessity of selling immediately after harvest often compels the producer to accept low prices.

A saving in the amount of capital required by a local buyer is effected when he collects promptly for each consignment. One way of collecting promptly is by the use of a draft, to which is attached the bill of lading for a consignment. The draft is drawn on the consignee and may be cashed at a bank. With the money thus received the consignor is enabled to make another purchase. This method of collecting promptly by drafts, to which the bill of lading and sometimes other shipping papers are attached, is in common use in the grain trade, both domestic and foreign, in the marketing of cotton and rice, in selling wool from western ranges, and, to a considerable degree, in the marketing of fruits and vegetables.

#### FINDING A MARKET.

##### SELLING IN TRANSIT.

One of the primitive ways of finding a market is for the farmer to go with his wares from house to house, or from store to store, making inquiry until a purchaser is found. An application of this simple plan is made on a large scale in the marketing of live stock.

A car of cattle consigned from a Kansas shipping point to Chicago may be unloaded and placed on sale at Omaha or Kansas City. In case no sale is made at one of these stopping places the stock is forwarded to Chicago. This practice is common on most of the important live-stock routes of the United States.

Grain also frequently changes hands at an intermediate market through which it passes, and the cars thus sold may be forwarded to destinations selected by the new owners. Regular quotations of prices are made at Chicago and other cities for grain in cars billed through to eastern markets from shipping points in the Middle West. Wheat raised in the Canadian northwest and shipped to the seaboard through North Dakota and Minnesota, for reentry into Canada by way of the Great Lakes, often changes hands at Duluth.

#### DIVERSION OF SHIPMENTS.

Another method of searching for a market is that of diverting a consignment to a destination other than the one first named in the shipping papers. An illustration of this is the practice common in the grain exporting business of the Pacific coast. It is usual for a cargo of wheat or barley sent from this coast to Europe to be consigned "for orders" to some port in the British Isles, as Queens-town, Falmouth, or Plymouth. After the vessel starts, the exporter tries to have a purchaser ready to bargain for the cargo when it reaches the port of call. The voyage around Cape Horn takes three or four months and this time is allowed the exporter for finding a suitable market. On its arrival at the port of call, the vessel receives orders as to the port at which the grain is to be discharged.

A similar plan is followed in shipping fruit by rail from California to the East. Two of the diversion points on these routes are Council Bluffs, Iowa, and Minnesota Transfer, a freight yard between St. Paul and Minneapolis.

Other important instances of this practice of diverting a consignment en route are afforded in the movement of fruits and vegetables from southern States. A commission firm, whose head office is in Pittsburg, distributes its marketings in this way. On receipt of a telegram, say, from a Georgia shipper announcing that he has a car ready to move, the head office of this firm decides at once the general direction for the car to go. If the West promises the best markets for the next several days, the shipper may be notified to consign to Cincinnati, or if the car is to go to an eastern city the consignment may be made to Potomac Yard, a freight transfer point on the Potomac River opposite Washington, D. C. At each of these diversion points a representative of the commission firm opens the cars, inspects the contents, and reports the results by telegraph or telephone to the Pittsburg office, which is kept informed of market conditions in different cities. The agent at the diversion point will

then receive orders as to the final destination of the car. Among the diversion points used for shipments of produce from the Southwest are Kansas City, St. Louis, and Chicago.

#### MARKET PLACES.

**PUBLIC CITY MARKETS.**—Public market places are established in a number of cities and towns and in these places consumers may buy such articles as fruit, vegetables, dairy products, poultry, and eggs direct from farmers as well as from dealers. In recent years there has been a tendency in some markets, as at Baltimore, Norfolk, and Washington, for practically all of the stalls to be used by dealers, while the producers occupy places along the neighboring sidewalks.

Market places are owned sometimes by city governments and sometimes by private corporations. In Washington, D. C., the largest markets are under private ownership, while in Baltimore the largest markets belong to the city. In York, Pa., there is one market owned by the city and five by private parties.

At some markets the only accommodations are those afforded by an open square, as one of the markets at Omaha, Nebr., and one at Richmond, Ind.; other places have open sheds, and still others are furnished with market houses. Some of the most noted markets of the United States are held under open sheds; the French Market in New Orleans and Lexington Market in Baltimore are both of this type. Among the numerous cities which have market houses are Pittsburg, Pa., Mobile, Ala., Buffalo, N. Y., Erie, Pa., Salem, Mass., Washington, D. C., Richmond, Va., Norfolk, Va., and Baltimore, Md.

The charges for space along the curb at some markets range from 10 cents to 75 cents per day for each wagon, and by the year from \$10 to \$50 or more. At Atchison, Kans., and also at San Antonio, Tex., a charge of 10 cents a day is made for each wagon occupying a place in the market, while at Buffalo, N. Y., the rate for a one-horse vehicle is 15 cents and for a two-horse wagon 25 cents per day, and at Norfolk, Va., these rates are respectively 10 and 15 cents. At Richmond, Ind., and Omaha, Nebr., spaces in the market are sold at auction to the highest bidder.

Producers sell in large quantities to dealers and deliver to commission men at public market places similar to the ones devoted to retail trade, and in many of the retail markets wholesale dealing is also done. The public market places of Omaha, New York, and Denver are used almost exclusively for wholesale trade, and so are wharf markets in Pittsburg, Baltimore, and Washington.

**WAREHOUSES.**—Another institution which aids the producer to dispose of his crop is the public warehouse. Illustrations of this are afforded in marketing tobacco in Virginia and North Carolina, wool from the northern Rocky Mountain States, and to some extent rice

in Louisiana and Texas. The growers, or their representatives, with their produce, meet the buyers at these warehouses. The method of operation in Virginia may be illustrated by the conditions at Richmond. The warehouses here are listed and market begins in the first one on the list for a certain day. After sales have been made in the first buyers go to the second, and so on throughout the list. Planters arrange their tobacco in piles along the floor of the warehouse, each pile being identified by a label or card attached to it. As the piles are auctioned off each buyer has some mark of identification attached to the pile purchased, and a record is made by the warehouse authorities. On leaving the warehouse the planter obtains his money from the warehouse manager, who in turn makes up a bill against each buyer for the total amount of tobacco he has bought that day. After the last warehouse sale has been made the market is continued at the Tobacco Exchange, where dealing is based upon samples displayed there. The importance of this system may be judged by the quantity of tobacco sold in these warehouses by farmers. The total sales by farmers at 21 Virginia markets having tobacco warehouses amounted during the nine months ending June 30, 1909, practically the entire season, to 116,000,000 pounds; and in the fiscal year ending July 31, 1909, the sales by planters in the warehouses of 45 North Carolina markets amounted to 142,000,000 pounds.

In selling rice at warehouses or on the New Orleans Board of Trade, sealed bids are submitted by the sellers and the sale is expected to be made to the highest bidder. In cities as far west as Chicago it is a common practice to sell fruit in warehouses which may be owned by railroads and used by auction companies. A consignment of California or Georgia fruit, for instance, will be sent to a commission merchant in New York, who will have the fruit sold to his account by the auction company.

**STOCK YARDS.**—The largest wholesale market places open to the producers are the stock yards in such cities as Chicago, Kansas City, Omaha, and St. Louis. Sales in these stock yards may be made direct by the owner of the stock to the ultimate purchaser, but it is customary for transactions to be made through commission men.

#### DIFFERENT CLASSES OF MIDDLEMEN.

##### TRAVELING BUYERS.

Selling to buyers who come to the farm is practiced to some degree in many parts of the United States. Traveling hucksters in many regions go from farm to farm gathering eggs, butter, poultry, calves, and similar commodities, which they sell to shippers, jobbers, or retail dealers. Agents of large merchants go to farms on the Pacific coast to buy hops, to ranges in the Rocky Mountains for wool, to planta-

tions in Louisiana and southeastern Texas to bargain for rice, and to the orchards of the apple-producing States east of the Rocky Mountains. The cattle buyer also is a frequent visitor at many farms, especially where stock raising is a secondary industry.

#### GENERAL MERCHANTS.

One of the most important persons in the distribution of some products is the merchant of the town or the rural community. He is often the first receiver of such products as eggs, farm-made butter, poultry, wool, hides, and sometimes cotton, grain, and hay. It was the custom a number of years ago, possibly more so than at present, for a local merchant to credit a planter of cotton or rice with supplies for a crop year, and to take a lien upon a growing crop to cover the value of the merchandise thus sold. In such a case it was frequently the custom for the crop when ready for market to be turned over to the merchant by the planter, who received the difference between his debt and the proceeds from the crop. The importance of the country merchant as a distributing factor in some regions is diminishing, for he has been supplanted to a greater or less degree by dealers in special products.

#### LOCAL BUYERS OF SPECIAL PRODUCTS.

In the regions where grain is a staple product the tendency has been for the storekeeper to be displaced by the grain dealer and the local elevator man. Among other examples of local buyers of special produce are the California fruit packer, who buys from growers; the egg and poultry shipper in the Middle West, whose purchases are made from country merchants and who ships by carload lots to wholesale dealers; the San Francisco wool merchant, who buys on the range and sells in the East; the poultry packer in the North Central States, who buys live fowls, slaughters them, and consigns to eastern cities; and the "track buyers" of watermelons in the region near San Antonio, Tex., of peaches in Georgia, and of hogs in the corn belt.

#### COMMISSION DEALERS.

The commission dealer is the agent through whom a large amount of produce is sold for farmers or country shippers. The commission man usually represents the seller, but there are instances where he serves as agent of the buyer, as in some sales of live stock to distant buyers or in the purchase of Pacific coast hops for eastern dealers.

In addition to serving as agent in making a sale, the commission man may advance money to a producer or to a country buyer, as when a live-stock commission firm loans money to feeders or when a grain-commission firm supplies a local grain dealer with sufficient cash to begin his season's purchases. Another phase of commission

dealing is that engaged in by rice and cotton factors, who advance money on crop liens, and to whom these products are frequently consigned to be sold on commission. In some States, for instance in South Carolina, banks are reported to be taking the place of the cotton factors in making loans, and the presence of buyers and neighboring mills enables planters sometimes to market their cotton without the aid of factors. Another class of factors are those in the Baltimore tobacco trade, who receive consignments, for instance, from farmers in Maryland and Ohio, and who sell to exporters.

#### EXPORTERS.

The exporter's business has some points in common with that of the local buyer in domestic trade; both classes of middlemen obtain their wares from sources relatively near at hand, and sell them in a distant market, either direct or through commission dealers. The exporter has to keep informed not only concerning the commercial regulations and market conditions of various countries, but also in regard to freight rates along the various lines of transportation over which his goods are apt to be carried. The fluctuations of freight rates, especially by water, make the cost of transportation lowest sometimes over one route and sometimes over another. In shipping wheat from Nebraska to Liverpool the grain may be sent through one of eight or ten large seaports ranging from Montreal around the coast to Galveston; and at a number of these ports tramp ships may be bidding against the regular lines for cargo. In case New York is selected as the port of shipment, the grain may be sent thither direct from Nebraska, or it may be transferred to a lake steamer at Chicago, to be reloaded at Buffalo either on canal boats or railroad cars.

In the grain business of the Pacific Northwest and in the cotton trade of the South it is not uncommon for the same firm that buys from the farmer to sell to the European miller. A grain exporter of Portland, Tacoma, or Seattle sometimes owns as many as 200 warehouses at different country railroad stations, and his agents at these stations buy direct from the farmers and consign to the seaport; while in Europe agents or correspondents of the same firm seek out buyers for the grain. But east of the Rocky Mountains the exporter of wheat, while he may sell through his representatives to foreign mills or dealers, in many instances does not buy either from the producer or the country grain dealer. His supply is often furnished by commission men or large dealers.

In addition to the five classes of middlemen just discussed, others of importance in the distribution of farm products are the jobber, who buys and sells in wholesale lots, and the retail dealer, the last of the series of middlemen who handle the commodity on its way from the producer to the consumer.

## STEPS IN THE MOVEMENT FROM PRODUCER TO CONSUMER.

## DIRECT SALES WITHOUT AID OF MIDDLEMEN.

Common instances of the producer selling direct and delivering to the door of the consumer occur in the marketing of milk, butter, eggs, poultry, fruits, vegetables, hay, and other farm products. Milk producers in the neighborhood of Erie, Pa., through their organization, deliver milk direct to consumers. Numerous poultry raisers sell exhibition stock direct to other poultry raisers. Eggs for hatching are also sold in this way. Registered cattle are often sold at auctions, held periodically by the owners. Retail sales of fruit, vegetables, poultry, eggs, and dairy products direct by producer to consumer are made also in public market places.

In a sense, a mill or a factory may be regarded as a consumer. An old instance of the producer selling in wholesale lots direct to the consumer is that of the farmer taking his grain to a near-by mill. A sale of sugar beets to a neighboring factory is another example of direct bargaining between producer and consumer; so is the sale and delivery of milk to a creamery, apples to an evaporating establishment, and fruits and vegetables to neighboring canning houses.

Selling at wholesale direct to consumer is illustrated also by a plan recently adopted by woolgrowers of the northern Rocky Mountain region. Large warehouses are established at Chicago and Omaha to which wool is consigned to be sold by the growers or their representatives. Manufacturers as well as dealers are among the buyers, so that part of the sales are made direct by the growers or their agents to consumers. Not only are direct sales by producer to manufacturer made in the warehouses, but on the range itself, for since the establishment of warehouses manufacturers and dealers have continued to send some of their buyers to the range.

One of the prominent woolgrowers of Wyoming reports that since the establishment of the large warehouses prices on the range have been much better. For the sake of supporting the warehouses the stockholders agree to pay into the association a certain percentage of their gross sales of wool, whether sold on the range or in the warehouses. This method of supporting a cooperative institution is adopted also by the Georgia Fruit Growers' Exchange.

## TRANSFERS THROUGH ONE MIDDLEMAN.

A large number of transactions are made in which only one middleman assists in the transfer from producer to consumer. A common example is that of the town merchant who buys produce from farmers and sells it to consumers.

Among the other instances of a single middleman intervening between producer and consumer may be noted the commission man at a large market who receives consignments of live stock from farmers

and sells to packers; the factor to whom the planter consigns his rice or cotton and from whom purchases are often made by millers; the warehouseman who manages the sale of a Virginia planter's tobacco; and the "line," or system, of elevators, which buys grain from farmers and sells to millers. Pennsylvania tobacco is often bought at the farm by a dealer who sells to manufacturers.

It is a common practice in a number of cities—for instance, New York, Philadelphia, and Washington—for milk to be handled by one middleman, namely, the city retailer, who buys direct from the producer. A considerable part of the supply of New York City is delivered at country shipping points to stations or "creameries" owned by New York dealers, who sell in the city at retail.

An organization which brings the grain producer nearer the great mills is the farmers' elevator. The plan of its operation has some features similar to that of the wool warehouses of Chicago and Omaha. Farmers cooperate in building an elevator and in employing a manager.

#### MARKETING THROUGH TWO MIDDLEMEN.

The intervention of two middlemen between producer and consumer is a common occurrence. The farmer may consign to a distant commission man or sell to a local dealer, and the next transaction of the series may be the sale to a retail merchant whose customers are consumers. A common way of marketing live stock is for the farmer to sell to a buyer who ships to a commission merchant at a large packing center, where the animals are sold frequently to packers. Fruits and vegetables are marketed often through the aid of two middlemen, the city commission dealer and the retail merchant. Two middlemen are involved also in some sales of produce made by farmers' cooperative societies; the first, unless the sales manager of a society be classed as a middleman, being the wholesale or the commission dealer, and the second the retail merchant.

The milk supply of Boston is distributed largely through two successive middlemen, the wholesale and the retail dealer; and another series of two middlemen consists of the traveling huckster in Massachusetts and elsewhere, who buys poultry from farmers and sells to retail merchants. Hop growers of the Pacific coast frequently sell direct to commission men who buy for large dealers, and these dealers in turn make part of their sales to brewers.

#### TRANSACTIONS INVOLVING THREE OR MORE MIDDLEMEN.

A series of three middlemen may include, first, the local buyer or shipper; second, the commission dealer or the wholesale merchant; and third, the retail merchant. Watermelons from the region of San Antonio, Tex., are reported to be distributed in considerable quantities through such a series of dealers. Traveling hucksters in Missouri buy poultry from farmers and sell occasionally to merchants or

to commission firms, who in turn include among their customers some retail dealers. Apple dealers in this country purchase the fruit from growers and sell to United States agents of German importers. The third in this series of middlemen is the retail dealer in Germany.

In the sale of fruit by auction, as is common in large cities east of the Mississippi River, the auctioneer is an additional middleman. He may sell for a commission dealer to whom the consignment may have been made by a country buyer; and the purchaser at such an auction may be a jobber, who in turn sells to a retail merchant. Five middlemen are thus concerned in such a transaction.

Another instance of a long series of middlemen may be had in some exports of wheat from North Dakota to England. The grain may be bought first by a country grain dealer, consigned to a middleman at Duluth, bought there by an exporter, who in turn sells through his European agent to a foreign grain dealer. The last of the series of transactions may be the sale by the foreign merchant to the miller. Hay, in many parts of the country, is frequently bought by a local merchant who sells through a commission man to a wholesale dealer. Or again, the commission man may sell to an exporter who ships direct to an importer in Cuba, and one or more additional sales may be made before the hay reaches the last purchaser.

Onions raised in Kentucky are sometimes bought by a local merchant and shipped to Louisville; here they may be put in sacks and consigned to a New York wholesaler or a commission man, who in turn sells to a New York retailer. Eggs and poultry frequently pass through the hands of at least four middlemen.

The marketing of clover seed is an example of a transfer from one farmer to another through a number of middlemen. The first middleman may be an Indiana shipper who consigns to a commission dealer in Toledo; here the seed may be purchased by a merchant and shipped to a wholesale dealer in a distant city; the last middleman in this course of distribution may be a country storekeeper or a city dealer in agricultural supplies.

#### TERMS OF SALES.

Reference is made in other parts of this article to conditions affecting payments for produce. Cash payments, as has been said, are most general, but when a farmer is to make a delivery to a distant purchaser, it is often the practice for the payment to be made by means of a draft attached to a bill of lading. By selling for a definite price fixed before the sale is made, the farmer knows at the time of sale the exact amount he is to receive, but he may be at a disadvantage owing to lack of competition among buyers or to his failure to keep posted concerning market conditions. On the other hand, if he ships his produce to be sold on commission, he risks being disappointed with the proceeds of the sale.

Some of the disadvantages of selling at or near the farm are being overcome by improved conditions which open to the farmer other markets in case the one at home is not satisfactory. The use of the telephone enables him to know the latest market news, and the service of a cooperative selling association makes it easier for him to take advantage of favorable prices in distant markets.

Some produce is sold in advance of the harvest; for instance, in New York, Maryland, and Michigan vegetables are grown for canning houses under contracts made sometimes as early as the preceding midwinter. The terms of these contracts vary. According to some of them the canner furnishes the seed and fertilizer and agrees to make advances of money during the season and a final settlement at the end. Contracts providing for the sale of three successive crops at a fixed price are reported to have been made in 1908 with some hop growers of Washington and Oregon.

#### COOPERATIVE SELLING ASSOCIATIONS.

The number of farmers' cooperative associations through which produce is marketed is increasing continually. Various fruits and vegetables, grain, tobacco, peanuts, rice, and other products are sold by the agents of such associations. In the State of Colorado alone there were in 1907 at least 33 such organizations and the products handled by them included cantaloupes, peaches, honey, potatoes, and miscellaneous fruits and vegetables. A number of California associations have united to form larger bodies through which sales are made, while the local organizations pack and load the produce.

At least two produce exchanges have been conducted successfully for a number of years by truck growers of the peninsula lying between the Chesapeake Bay and the Atlantic Ocean. The cranberry crop is marketed largely through farmers' organizations, and similar associations, too numerous to be listed here, are improving conditions of marketing in other parts of the United States. The extent to which the cooperative movement among farmers is distributed may be illustrated by the apples from Hood River, Oregon, which are marketed in this way; fruits and vegetables from Yuma Valley, Arizona; celery from Florida, cantaloupes from Tennessee, onions from central and western Texas, tobacco from Kentucky, grain from Minnesota and North Dakota, rice from Texas, peaches from Georgia, vegetables from Louisiana, and various articles from Michigan, in addition to a large number of products from California.

Two of the important results of cooperation in marketing have been the shipment of better grades of fruits and vegetables, and the command by the farmers of a greater influence in the market on account of large quantities of produce being controlled by a single authority.